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Tamara Rasberry
Manager
State Agency Governmental Affairs

925 L Street, Suite 650
Sacramento, CA 95814

(916) 492-4252
trasberry@sempra.com

January 27, 2010

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 09-Renew EO-01
1516 Ninth Street
Sacramento, CA 95814-5512

Via Electronic Mail - docket@energy.state.ca.us

**RE: Docket Number CEC-700-2009-016-SDREV
“Renewable Energy Executive Order” Draft Best
Management Practices & Guidance Manual: Desert
Renewable Energy Projects (Revised Draft Staff Report)**

To Whom It Concerns:

Sempra Energy (Sempra) appreciates the opportunity to review and comment to the REAT agencies on the Revised Draft Staff Report Best Management Practices & Guidance Manual (BMP). Sempra’s comments are intended to support the agencies’ efforts to meet of the primary goal of Governor Schwarzenegger’s Executive Order S-14-08, to accelerate the environmental review of renewable energy projects and the local, state, and federal permitting processes. Sempra welcomes the opportunity to begin consulting with agencies well in advance of filing an application; however this opportunity is not currently available. Guidance within the BMP on how to achieve this early consultation is essential to the success of the BMP objectives.

Sempra’s comments herein point out that completion of transmission interconnection studies is not critical to a pre-application process and that acceleration of the environmental review of renewable energy projects would be far better accomplished if the interconnection study is conducted parallel to the pre-application process. Sempra also offers additional recommendations to improve the BMP processes through clarity and process and by providing an incentive to project proponents who complete the “critical actions” in the pre-application phase.

CAISO Interconnection Studies

Although the focus of the BMP is on the coordination of licensing at the California Energy Commission, California Department of Fish and Game, U.S. Fish and Wildlife Service, and the U.S. Bureau of Land Management, it is important for the BMP to more clearly recognize the role of CAISO, and other balancing authorities responsible for connecting new generation to the grid, and to include them in the process. The CAISO is currently developing a renewable energy transmission planning process to enhance the existing transmission planning and generator interconnection process to promote the development of infrastructure needed to achieve the state's 33% RPS by 2020. Other balancing authorities within California, such as the Los Angeles Department of Water and Power and the Imperial Irrigation District are engaged in similar transmission planning processes.¹ More coordination between the BMP Agencies and these balancing authorities' processes will reduce the time and expense for developing renewable energy.

Sempra recommends that interconnection studies can be completed in parallel to the permitting process and that BMP discuss data confidentiality issues. Additionally, there remain transparency issues that should be explored to discern transmission opportunities.

Sempra agrees with the BMP conclusion that interconnection studies are "critical actions for completing applications and obtaining permits" but does not agree that completion of studies is critical to a pre-application process. Transmission interconnection studies are complex, expensive, and have long lead-times, often with a limited shelf life. Sempra recommends that applicants confirm that an electric transmission interconnection study is scheduled by the CAISO or other appropriate control agency since completion of an interconnection study will not be any more effective to the streamlining process and than a parallel process.

The BMP must recognize the need to protect project proponents' interests. Sempra is concerned that even though data obtained through the interconnection study process is proprietary to the applicant it will not be adequately protected if submitted in its entirety in the pre-application process.

¹ See, for example, the California Transmission Planning Group (CTPG) at www.ctpg.us.

Sempra suggests that increased transparency could help facilitate generation siting in situations where the proposed generation is located close to transmission lines that have unused capacity. This would enable renewable developers to focus their search for feasible sites while having some certainty that transmission capacity is available.

Process Template

The BMP proposed methods does not include the specific mechanisms on how the applicant is to achieve the listed critical actions without a complete and serialized application. For example how does the applicant begin consulting with the necessary agencies before a cost sharing agreement is in place? How is a cost sharing agreement completed without a “serialized” application? Guidance on how the applicant can begin consulting with agencies during the pre-application process is a key element that is missing from the BMP. Sempra suggests the BMP contain a clear delineation of elements in the pre-application which the agencies require versus those that are discretionary. In support of this effort, Sempra requests the final document contain a process template which clearly outlines the steps that applicants need to follow to ensure themselves the pathways recommended by the BMP are complete enough to assure the process is streamlined.

Streamlining and FONSI

The central premise of the BMP is that project pre-applications completing “most, or all, of the major significant issues that usually arise when conducting environmental reviews” (the ten “critical actions”) will be processed expeditiously. The Executive Order calls for the participating agencies to reduce permit processing times by at least 50% for projects in renewable energy development areas and the pre-application process currently requires the completion of many identification and mitigation processes required during permitting. Further opportunities for streamlining (expedited agency reviews and decision-making) should include a recommendation that permitting agencies issue a finding of no significant impact (FONSI) if identification and mitigation planning is completed under the BMP. The agencies should agree that project proponents need focus only on identification and mitigation of remaining environmental impacts not identified or resolved in the pre-application process.

Summary

The BMP was prepared to accelerate the environmental review of renewable energy projects and the local, state, and federal permitting processes and the Abstract states the guidance and best management practices do not recommend changes to laws, regulations, or agency jurisdictions or responsibilities. Sempra suggests the best outcome of this document pursuant to the Executive Order will be to more completely and clearly delineate responsibilities and develop agreements to align duplicative processes and effectively decrease the expense and time required to permit a renewable energy facility.

Sempra supports the environmental benefits associated with renewable energy projects and agrees that unnecessary cost impacts on these projects due to cumbersome or duplicative permitting processes would only serve to harm electricity consumers. Sempra Energy appreciates the opportunity to participate in developing the BMP and Sempra feels the objectives will benefit the renewable industry over time.

Sincerely,

A handwritten signature in cursive script, reading "Amara Rasby". The signature is written in black ink and is positioned below the "Sincerely," text.